

COOK, YANCEY, KING & GALLOWAY

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October 3, 2001

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When calling relative to this
matter, refer to file No. 1031.

Honorable Philip N. Asprodites
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: **James Formation,
Reservoir B
Converse Field
Sabine Parish, Louisiana**

APPLICATION FOR PUBLIC HEARING

Dear Sir:

Phillips Petroleum Company hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the James Formation, Reservoir B, in the Converse Field, Sabine Parish, Louisiana:

1. To establish six additional drilling and production units for the exploration for and production of gas and condensate from the James Formation, Reservoir B, in the Converse Field, Sabine Parish, Louisiana, to be designated JA RB SUK, JA RB SUL, JA RB SUM, JA RB SUN, JA RB SUO, and JA RB SUP, as shown outlined on the plat attached hereto and made a part hereof;
2. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950 with each tract sharing in unit production on a surface acreage basis of participation;

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3. To designate unit wells and unit operators for the proposed units where appropriate;
4. To extend the existing field rules for the James Formation, Reservoir B, in the Converse established pursuant to Office of Conservation Order No. 501-B-3, to the proposed units except to the extent inconsistent herewith;
5. To provide that the Commissioner of Conservation should be authorized to reclassify the James Formation, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
6. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The James Formation in the Converse Field, Sabine Parish, Louisiana was defined in Office of Conservation Order No. 501-B, effective on and after February 1, 1975. This same sand definition was utilized for units created for the James Formation, Reservoir B, pursuant to Office of Conservation Order No. 501-B-3, effective on and after May 9, 2000.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Ms. Cynthia Thomson, Phillips Petroleum Company, Phillips Petroleum Company, Post Office Box 1967, Houston, Texas 77251-1967, telephone number (713) 669-2144.

A pre-application conference was requested and held on October 3, 2001. Those persons attending the conference are identified on the attached list. J. William Fleming, attorney for Phillips Petroleum Company, explained the purpose of the conference to those in attendance, followed by Robert M. McGowen, a consultant for Phillips Petroleum Company, who provided the geological and engineering bases for the request of the applicant. There were a

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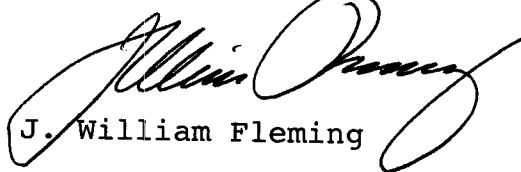
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number of questions asked and answered. There was concern expressed by one of the parties about the size of the units. All persons reserved their rights. It is noted that the suggested nomenclature for the proposed units was incorrect on the plat attached to the pre-application notice, and has been revised as indicated on the plat attached hereto.

The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search and a copy of this application, with plat attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed is the application fee in this matter.

Yours very truly,

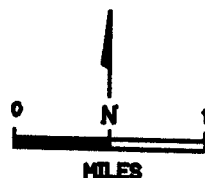
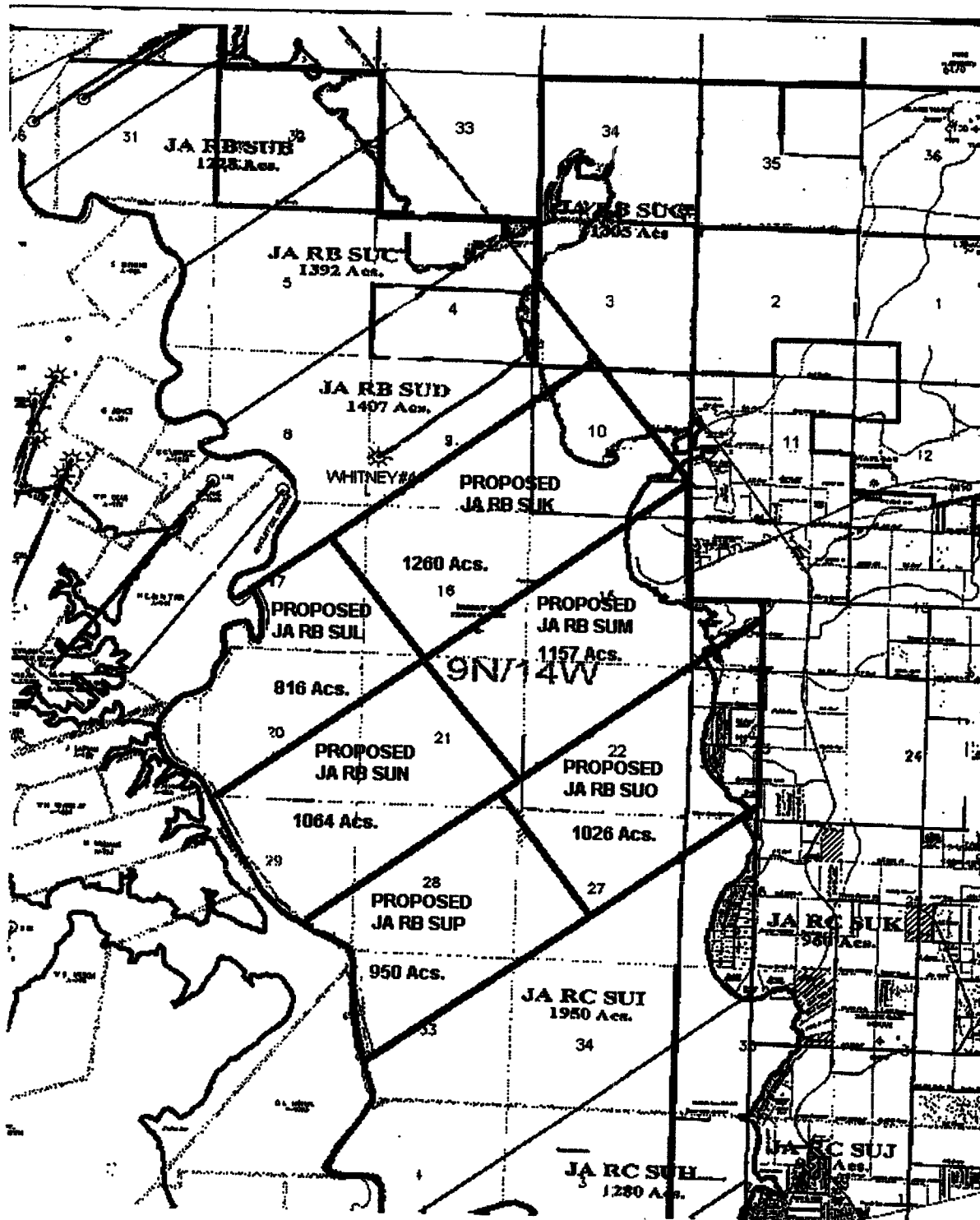
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J. William Fleming

jwf:s

Enclosures

cc: Mr. James Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties



PHILLIPS PETROLEUM COMPANY
NORTH AMERICA E & P
HOUSTON, TEXAS

CONVERSE FIELD
SABINE PH., LA

PROPOSED JAMES LIME
RES. B UNITS